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October 26, 1998

EX PARTE PRESENTATION

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: *In the Matter of Applications for Transfer of Control to SBC
Communications Inc. of Licenses and Authorizations Held by Ameritech
Corporation, CC Docket No. 98-141*

Dear Ms. Salas:

On October 21, 1998, Edward E. Whitacre, Jr., Chairman and Chief Executive Officer of SBC Communications Inc., appointed Stephen M. Carter to the new position of President-Strategic Markets, which places Mr. Carter in charge of directing SBC's "National-Local Strategy." The National-Local Strategy is the cornerstone of the proposed merger of SBC and Ameritech Corporation, and it refers to the combined company's plan to expeditiously enter the country's top 30 markets outside of its traditional service areas to serve residential and business consumers.

Attached, for your information, is a copy of the news release announcing Mr. Carter's appointment. As set forth fully in the transfer of control applications, SBC and Ameritech are committed to the National-Local Strategy as part of the merger. Indeed, Mr. Whitacre has told the FCC that the Strategy "is essential for the long-term growth and viability of SBC."[†]

In accordance with the Commission's Rules governing ex parte communications, an original and two copies of this correspondence are provided herewith. Should you have any questions, please contact me.

Respectfully submitted,

Attachment

[†] *Written Testimony of Edward E. Whitacre, Jr., Chairman and Chief Executive Officer, SBC Communications Inc., before the Federal Communications Commission En Banc Hearing Concerning Consolidation in the Telecommunications Industry, October 22, 1998, at 2.*

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cc: The Hon. William E. Kennard
The Hon. Susan Ness
The Hon. Harold W. Furchtgott-Roth
The Hon. Michael K. Powell
The Hon. Gloria Tristani
Mr. Thomas Power
Mr. James L. Casserly
Mr. Kevin Martin
Mr. Kyle Dixon
Mr. Paul Gallant
Ms. Kathryn C. Brown
Mr. Lawrence Strickling
Mr. Thomas Krattenmaker
Mr. Bill Rogerson
Ms. Carol Matthey
Mr. Michael H. Pryor
Ms. Radhika Karmarkar
Mr. William Dever
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News Release



For More Information

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Senior Executive Named to Direct SBC's Entry into Nation's Top 50 Markets

San Antonio (October 21, 1998)—SBC Communications' (NYSE: SBC) plan to compete for business and residential telecommunications customers coast-to-coast took a major step forward as Stephen M. Carter was named President Strategic Markets in charge of directing the company's "national local" strategy.

"National local" is the strategy that SBC and Ameritech will pursue once the companies' merger is completed. Under this plan, the combined companies will begin competing in the nation's top 50 markets, jumpstarting nationwide competition in local and long distance service for business as well as residential customers.

"We are working hard to shed our position as a regional company and become a national and global competitor," said Edward E. Whitacre Jr., chairman and CEO of SBC. "I can think of no person better qualified than Stephen to help lead us into competition in markets around the country."

"I'm honored and excited by this unique opportunity," said Carter. "We are now intensifying our program to fully develop the 'national local' strategy. Initially, we expect to have 2,900 miles of fiber and 60 switches to serve large and mid-sized business nationally. We also anticipate having 80 switches in thirty markets outside our region to serve residential and small business customers."

More

Carter Named to Lead "National Local" Strategy

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"Of course, I can't say right now how we will approach a given market, but I can promise that we will compete vigorously for business and residential customers across all lines of service. That's something we have not seen competitors try in our territory so far," said Carter.

Implementation of the "national local" strategy is contingent upon the completion of the SBC-Ameritech merger, which provides both companies the size, scale, scope, customer base and employee talent pool needed to expand successfully and efficiently into the nation's top 50 markets. Neither company can successfully execute the strategy without the merger.

Tim Harden, vice president and general manager-operations, and Terry Bailey, vice president and general manager-strategic markets, will report to Carter.

In his previous position as president of SBC's special markets, Carter was responsible for opening SBC's networks and markets to companies that compete against SBC in its territory. Today, nearly 250 competitors have obtained approximately 1.8 million resold and facilities-based access lines in SBC's seven states. SBC was the first regional Bell operating company to lose more than one million lines to competitors.

Since the two companies announced plans to merge in May, the merger has received clearances from European regulators, and is now being reviewed by the Department of Justice and the Federal Communications Commission. Illinois, Ohio and Indiana have announced plans to review the merger as well. The companies hope to complete the transaction by mid-1999.

SBC Communications Inc. is a global leader in the telecommunications industry, with more than 34.5 million access lines and over 5.9 million wireless customers across the United States, as well as investments in telecommunications businesses in 11 countries. Under the Southwestern Bell, Pacific Bell, Nevada Bell and Cellular One brands, SBC, through its subsidiaries, offers a wide range of innovative services, including local and long-distance telephone service, wireless communications, paging, Internet access, and messaging, as well as telecommunications equipment, and directory advertising and publishing. SBC (www.sbc.com) has more than 118,000 employees and reported 1997 revenues of nearly \$25 billion. SBC's equity market value of \$81 billion as of September 30, 1998, ranks it as one of the largest telecommunications companies in the world.

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New Markets for the New SBC

Below are the markets where the new SBC plans to compete under the "National-Local" strategy, ranked by size.

- | | |
|--------------------------|-----------------------------------|
| 1. New York | 16. Salt Lake City/Ogden |
| 2. Philadelphia | 17. Orlando |
| 3. Boston | 18. Buffalo |
| 4. Washington | 19. New Orleans |
| 5. Miami-Ft. Lauderdale | 20. Nashville/Davidson |
| 6. Atlanta | 21. Memphis |
| 7. Minneapolis/St. Paul | 22. Las Vegas |
| 8. Phoenix | 23. Norfolk/Virginia Beach |
| 9. Baltimore | 24. Rochester |
| 10. Seattle-Everett | 25. Greensboro/Winston –
Salem |
| 11. Denver/Boulder | 26. Louisville |
| 12. Pittsburgh | 27. Birmingham |
| 13. Tampa/St. Petersburg | 28. Honolulu |
| 14. Portland | 29. Providence/Warwick |
| 15. Cincinnati | 30. Albany/Schenectady/Troy |